

Remarks by Steven C. Preston
Administrator, Small Business Administration
Women Impacting Public Policy Gala Dinner
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Thank you. I just want you to know how thankful I am for the invitation to be with you and how much I have been looking forward to this evening. I may be new to Washington, but it didn't take me long to see that WIPP has accomplished more in five years than many organizations accomplish in fifty.

That's due in no small part to the vision and leadership provided by people like, Terry Neese, Barbara Kasoff, and Ann Sullivan who, together with all of you, have made WIPP's voice heard loud and clear in Washington and at the SBA. We are fortunate that both Barbara and Terry share their energy and wisdom with us through their service to key partners of the SBA – Barbara as a member of the Board of SCORE, and Terry through her recent service on the National Women's Business Council. Thank you. I would also specifically like to thank Ann Sullivan. Ann and I became acquainted shortly after my nomination. She has been an important source of counsel ever since that time, which I hope will continue throughout my tenure. Thank you Ann.

In the weeks since I have been at the SBA, I have had the opportunity to get to know some of the remarkable women associated with various women's organizations. I have turned to them for advice and perspectives that have helped

shape my understanding of the issues before us, and the ways we at the SBA can work with you more effectively.

I am especially grateful to, Tami Longaberger, the Chair of the National Women's Business Council, I know she spoke with you this morning; and Melanie Sabelhaus, the former Deputy Administrator at the SBA. Melanie couldn't be here tonight, but I know you know her well and appreciate what an articulate and energetic voice she is for women. I probably won't be able to muster *quite* the energy you are used to seeing from her—I considered downing a triple espresso before coming here, but I knew even that wouldn't do the trick. In fact, I think if scientists spent a little time with her, we would probably find the perfect alternative energy source. What I have enjoyed so much about Melanie is that she channels all of that energy and combines it with conviction to advance opportunities for small businesses, especially for women entrepreneurs.

It will be *my* privilege and pleasure, however, to work with the woman who has just been nominated by President Bush to be the new Deputy Administrator at SBA. Jovita Carranza, one of the top Latina professionals in the nation, is bringing her 30 years of experience at UPS to the SBA. Jovita has worked closely with small businesses to help them bring their products to the global marketplace. As many of you know, companies like UPS have been tremendous enablers for small business and have helped level the playing field for them. Her sensitivity to

the needs of small business, combined with the operational sophistication she brings, will help us drive a greater degree of responsiveness throughout the organization. Besides all that, she meets three key criteria for our team: She cares. She has a heart for service. And, she will get stuff done. I think it is very fitting that you all are the first group to meet Jovita. Jovita, will you please stand up? I wish you could all meet the woman who is both the wisest person in my life, and also the most compassionate, my wife, and thankfully for them, the mother of our five children. She wanted to come tonight, but was unable. You should know that within our home are also three young, female powerhouses that I am convinced you will be hearing a lot about as they accelerate through their lives—so from a deeply personal perspective, thank you for the work you do, I am so gratified that your impact is both significant and meaningful to our country, and I have a vested interest in seeing it continue.

I want you to know what a terrific honor it is for me to serve our country, and to do so in an agency that touches the lives of so many people, not only in helping them realize their dreams, but doing so in a way that provides jobs, expands our economy, and supports innovation in our country. I am also proud to be serving a President who stands tall on tough issues, who leads based on principles, not on polls, and who has worked so hard to create an environment where small businesses can flourish.

He has done so by advancing an economic agenda that includes many of the issues that are most important to most of you. Like:

- Tax reform to make tax cuts lasting, including a permanent repeal of the death tax, so you can pass on the business you built to your children without a load of debt inflicted by the federal government;
- Like initiatives to address rising energy costs, which have had a negative impact on small business. By investing in new technologies that will generate alternatives to a petroleum-based economy, we can reduce our reliance on foreign oil and the economic uncertainty it creates.
- Like health care – we need to get small business health plans passed in this country so small businesses can reduce the strangling cost of health care for their employees and we, as a nation, can expand the coverage for our citizens. The president has said, “If people want the small business sector to flourish, then they ought to help small businesses afford health care.”
The fact that nearly two-thirds of the businesses represented by WIPP offer health insurance coverage to their employees – despite the high cost – reflects the value that you all place on this issue and the load you carry as a result.

I focus on the importance of the economic agenda because it wasn't that long ago that we were looking at a plunging stock market, corporate accounting scandals, the horrific attack on 9-11 that we have been remembering this week, and the economic turmoil that ensued. But over the last three years, we have seen:

- Consistently robust economic growth;
- Steady job creation, and as a result, an enduringly low unemployment rate;
- And growth in ownership throughout our society – with women owning one-quarter of all businesses and outpacing the rest of the pack.

We need to celebrate this accomplishment. But as we do, we need to understand the engine that drives it – the entrepreneurs of our country.

- You drive our economic growth.
- You create two out of every three new jobs.
- You fulfill dreams, not only for yourselves and your families, but for those you employ and those you serve.

You enable an economy driven by innovation and regeneration which keeps our country competitive. Three-quarters of the Fortune 100 companies last year were not even on the list 25 years ago. That is a story of business incarnation and growth which has defined the last half century of our economic history.

We need to ensure that our country maintains an environment where entrepreneurship and innovation can thrive unfettered and where small business ownership can be a path to economic mobility and a better life, especially for those Americans who may not find that opportunity elsewhere.

Entrepreneurship is foundational to who we are as a people and a nation. And, in so many ways, your spirit is the essence of our nation's greatness, and your accomplishments are its reflection.

As women entrepreneurs, you know first-hand how life-changing small business ownership can be.

- In some cases, small business ownership has provided an opportunity to move beyond the silent restrictions many of you have felt in a larger corporate environment.
- In other cases, small business provide opportunities to mothers:
 - Like the suburban mom, who left the 9-5 world to raise a family, but craves an avenue for professional expression and still needs to contribute to the family finances.
 - The single mom, who is pulling herself out of the pit of poverty and just trying to provide for her children. I have to say that some of the most stirring stories I have seen since coming to the agency have come out of our Women's Business Centers and often serve this community.

- And small businesses can be a path for all entrepreneurs, irrespective of gender, to fulfill a drive to innovate, to create, or to be independent that lies deep in the heart of every entrepreneur and needs to find its expression.

So it is not surprising to find that when we look at women-owned businesses in contrast to the small business community as a whole, we are seeing:

- Faster growth in the number of new businesses.
- Faster growth of the firms that are formed.
- And a higher percentage of women-owned businesses among minority entrepreneurs.
- Melanie mentioned a quote to me yesterday by the President: “When it comes to entrepreneurship and job creation it is becoming a woman’s world!”

And all of us at the SBA need to be working every day to ensure that we are pulling with you, in the same direction, to expand opportunities and break down barriers.

You have, through your commitment to entrepreneurship, reaffirmed a truth of American life and American history – a truth about the *transformative* power of small business. Transformation of individual lives, transformation of groups, and time and again, transformation of communities.

You know, I think a lot about the role small business plays in community transformation, and there is a picture I carry in my mind virtually every day, that reminds me of this role. I visited New Orleans for the first time earlier this year. I had spent several hours touring the devastation. For miles you could see virtually no activity. As we were leaving the lower ninth ward, among the endless rows of hollow buildings, one shining exception stood out – a small, Hispanic-owned grocery store, freshly painted white, with sparkling windows, and a brightly painted sign overhead. People were scrubbing the floors, stocking the shelves, cleaning the sidewalk out front – preparing to reopen.

As I looked at the emptiness surrounding this tiny pioneer, I wondered why they were taking such a risk and whether they would survive. Then I realized that I was seeing just why small business is so crucial to our nation and its spirit. They would be the first movers and they would lead the way for others. And frankly, it is a picture that is in my mind every day as I consider the urgent need for this agency to be more responsive to the needs of our compatriots in the Gulf.

It's the readiness to take risks, the grit to stick out the hard times, the commitment not just of capital but of passion, and the devotion when others falter, all of this that puts small businesses at the heart of strong communities throughout our country. Small businesses take risks that others won't take, because they believe

in a vision. Their founders match every dollar they invest with ten dollars of sweat equity – and as a result where others find a wall, again and again they find the door of success.

You and I are blessed to live in America, a great society with a robust economy as one of its pillars. It's a society where we are free and encouraged to innovate, to adapt to changes in markets – where – innovation can find its home in opportunity and, in turn, in livelihood. And that is because we have created and preserved an environment in which innovation and entrepreneurship can flourish. And we must ensure that we continue to preserve and pursue a culture, a capital system, and a tax and regulatory structure that enables and encourages innovation and entrepreneurship.

I believe that not only because it is the bedrock of our economy, but because small businesses may be our country's strongest bridge to opportunity for Americans of all backgrounds – and for that reason, it should be the goal of our economic policy to keep that bridge open, expansive and sturdy.

In looking at the record, I have been encouraged by the progress the SBA has made in recent years, both in the overall scope of its programs and in their significance to women. But, we can be doing a lot more.

Over the last two months, I have spent a lot of time listening to our employees, our legislators, various trade associations, and most importantly, directly to our customers. And I have come to the simple conclusion that the most important progress we can make is in applying good solid business principles to the work we do – much like you all do every day in your business. And as such, we are approaching these issues by asking four basic questions we are using as our guideposts.

First, are we focused on the right outcomes? Do we understand how our services are driving change and is it where we believe it will have the most important impact?

- Should we make more loans, or should we make more loans to people who are underserved?

Second, are we truly focused on what is important to our customers? Are we customer-centric – do we understand what the people we serve need, and are we doing business on their terms? If there is too much friction in the process, if we are too slow, and if we are tough to work with, we will choke off our effectiveness because the value of our services will be diminished by the difficulty in using them. We have a lot of opportunity to simplify life for our customers.

Third, are we enabling our employees? Any organization that serves people must have an employee base that is motivated and enabled to provide that service. So we need to ask, are we working to give our employees the tools, training and work environment they need to serve you effectively and enthusiastically?

And finally, are we transparent, efficient, and accountable? Are we running a tight ship? Every day, are we working in a way that earns your trust? We are accountable to all of you to run our contracting services effectively and openly. We are accountable to the American people to run our lending operations in a way that manages its inherent risk. We have to make sure that we use every dollar the taxpayers give us responsibly.

Transparency equals trust. Like every part of government in a democracy, we have a bedrock obligation to work every day to deserve the public's trust.

We need to address these operational issues, but at the same time we are driving the critical policy issues before the agency.

And while there are many issues we will face, I want you to know that I am committed to finishing the job on the Equity in Contracting for Women Act. Congress passed the law some time ago. As you know, the RAND Corporation has been engaged in a study to identify the industries in which women-owned

small businesses have been underrepresented in federal contracting, and we expect the results of that study by the end of the year. I look forward at that point to moving forward to expeditiously and effectively implement the law and to ensure that the intent of the legislation is fulfilled.

Thank you for inviting me. Thank you for the good work you do. And thank you so much for the valuable legacy of opportunity you are creating for your daughters, and mine. I salute you on your fifth anniversary, and look forward to working with you to achieve the goals we together share.

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